

Message Text

CONFIDENTIAL

PAGE 01 STATE 276409

55

ORIGIN COME-00

INFO OCT-01 ARA-06 ISO-00 EB-07 /014 R

DRAFTED BY COM/BIC/OED/MEPD/GBURKE:DMW

APPROVED BY EB/OCA/CM:JREILLY

COM/BIC/OED/MEPD/LENGLESON

COM/BIC/OED/MEPD/JRHEAGEN,ACT. DIR.

COM/BIC/OIM/FKAISER (INFO)

STATE/ARA/CAR/JETHYDEN (INFO)

ARA/ECP:DLACEY (INFO)

----- 046087

R 101418Z NOV 76

FM SECSTATE WASHDC

TO AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L STATE 276409

E.O. 11652:GDS

TAGS:BENC, BEXP, ECRE, TD

SUBJECT:FOREIGN GOVERNMENT TENDER: CARONI-ARENA WATER

--- SUPPLY CONTRACT

REF: (A) OTAWA 4397 (B) PORT OF SPAIN 2832,

--- (C) PORT OF SPAIN 2698

1. FURTHER TO INFORMATION PROVIDED BY EMBASSY
OTAWA REF (A), COMSTOCK INTERNATIONAL (USA) INC. WAS
FORMED 1968; HAS 2,000 EMPLOYEES, 50 IN NEW YORK OFFICE
AND REST ON PROJECTS OVERSEAS. ANNUAL SALES PLACED AT
FORTY MILLION DOLLARS. WHOLLY OWNED BY COMSTOCK
INTERNATIONAL LIMITED OF CANADA. ACCORDING TO MAJOR
CREDIT AGENCY, COMSTOCK INTERNATIONAL (USA) HAS PERFORMED

WORK IN PAKISTAN, JAMAICA, GHANA AND CEYLON. NO UNUSUAL
OR DEROGATORY INFORMATION ON ITS METHODS OF DOING
BUSINESS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 276409

2. PROBLEM OF HOW TO TREAT MULTINATIONALS IN TERMS OF

USG SUPPORT IS ARISING WITH INCREASING FREQUENCY. WE FEEL THAT GOOD APPROACH IS TO ATTEMPT ASCERTAIN WHETHER BID PACKAGE WILL INVOLVE SIGNIFICANT EXPORT CONTENT OF U.S. GOODS AND SERVICES AND TREAT OWNERSHIP STRUCTURE

AS SECONDARY FACTOR.

3. IN RESPONSE TO REF (B), CHECKS WITH SOME NON-BIDDING PREQUALIFIED FIRMS CONFIRM EMBASSY JUDGMENT THAT LABOR TROUBLES ON ISLAND WERE PARTLY RESPONSIBLE FOR LAST MINUTE FAILURE OF SOME FIRMS TO BID. DIFFICULTY IN

PREDICTING RATE OF INFLATION, PRODUCTIVITY OF CONSTRUCTION WORKERS AND WAGE SCALES ALSO MENTIONED AS DETERRENTS.

4. FYI ONLY, AT LEAST THREE FIRMS WHICH DID NOT BID (PRICE BROTHERS, CHARLES F. SMITH AND SONS, AND PAUL HOWARD) ARE STILL ACTIVELY FOLLOWING PROJECT AND HOPE THAT AT LATER STAGE, EITHER THROUGH BIDDING OR NEGOTIATION, THEY WILL HAVE OPPORTUNITY TO COMPETE. PRICE BROTHERS INDICATED THAT FIRM HAS EXPECTED BIDS WOULD BE SIGNIFICANTLY HIGHER THAN ESTIMATES. THEY DID NOT GO THROUGH MOTIONS OF SUBMITTING, KNOWING DECISION WOULD HAVE TO BE MADE IN ANOTHER ROUND OF BIDDING OR NEGOTIATION. FIRM INDICATED ITS BELIEF THAT GOTT FULLY AWARE OF ITS CONTINUING INTEREST. SMITH AND HOWARD ALSO INDICATED THAT GOTT KNOWS OF THEIR INTEREST AND THAT THEY UNDERSTAND THAT CONSULTANT NOW WORKING ON REVISION OF TERMS AND CONDITIONS. MOST SIGNIFICANT PROBLEM WITH CONTRACT NO. 4 IS THAT SPECIFICATIONS REQUIRE THAT CONTRACTOR, WHO RECEIVES PIPE FROM GOTT (PRODUCED UNDER CONTRACT NO. 3) AGREE TO SET SCHEDULE FOR LAYING PIPE AND IS PENALIZED FOR DELAYS. PENALTIES ARE TO BE ENFORCED EVEN IF REASON FOR DELAY IN LAYING PIPE IS THAT PIPE IS NOT SUPPLIED TO CONTRACTOR ON TIME BY GOTT.

CONSULTANT RECOMMENDATIONS, EXPECTED ON OR ABOUT NOV. 12 MAY CALL FOR REBID OR NEGOTIATED CONTRACT.

5. ACTION REQUESTED: WHEN ASKED IF USG ASSISTANCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 276409

REQUIRED, FIRMS IN INDICATED THAT STRONG REPRESENTATION AT THIS TIME MAY BE COUNTERPRODUCTIVE. THIS WAS

PARTICULARLY STRESSED WITH CONTRACT NO. 4 WHERE, WE ARE TOLD, GOTT NOT ENTHUSIASTIC ABOUT SERVICES OF LOW BIDDING LOCAL FIRM. HOWEVER, GOTT COULD BE FORCED INTO CORNER IF

MATTER ATTRACTS TOO MUCH PUBLIC NOTICE.

WE FEEL AT THIS TIME BEST APPROACH WOULD LOW KEY ATTEMPT
TO GATHER AS MUCH INFORMATION AS POSSIBLE, HOLDING OFF
MORE ACTIVE INVOLVEMENT UNTIL COMPANIES REQUEST ASSISTANCE.

- " PANIES GREATLY APPRECIATE EMBASSY'S
'THOROUGH REPORTING THIS PROJECT. AGREE ON UNIFIED
SUBJECT HEADING THIS PROJECT BUT REQUEST ADDITION OF
SLUG; FOR COMMERCE/MEPD IN ORDER ASSURE PROPER ACTION
ROUTING. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WATER SUPPLY SYSTEM, CONTRACTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 10 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE276409
Document Source: CORE
Document Unique ID: 00
Drafter: DMW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760419-0192
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761161/aaaacbbg.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 PORT OF SPAIN 2832
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 28 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 JUL 2004 by coburnhl>; APPROVED <29 OCT 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN GOVERNMENT TENDER: CARONI-ARENA WATER --- SUPPLY CONTRACT
TAGS: BENC, BEXP, ECRE, TD
To: PORT OF SPAIN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006